



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2017 Biennium

|                         |              |                |  |
|-------------------------|--------------|----------------|--|
| <b>Bill #</b>           | SB0128       | <b>Title:</b>  | Establish decennial school funding study |
| <b>Primary Sponsor:</b> | Hansen, Kris | <b>Status:</b> | As Introduced                            |

- |   |  |  |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact     | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns              |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts           | <input type="checkbox"/> Dedicated Revenue Form Attached |

### FISCAL SUMMARY

|   | <u>FY 2016<br/>Difference</u> | <u>FY 2017<br/>Difference</u> | <u>FY 2018<br/>Difference</u> | <u>FY 2019<br/>Difference</u> |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| <b>Expenditures:</b>                    |                               |                               |                               |                               |
| General Fund                            | \$47,086                      | \$31,391                      | \$0                           | \$0                           |
| <b>Revenue:</b>                         |                               |                               |                               |                               |
| General Fund                            | \$0                           | \$0                           | \$0                           | \$0                           |
| <b>Net Impact-General Fund Balance:</b> | <u>(\$47,086)</u>             | <u>(\$31,391)</u>             | <u>\$0</u>                    | <u>\$0</u>                    |

**Description of fiscal impact:** SB 128 establishes a decennial school funding interim commission and would have a \$78,477 biennial impact on the state's general fund every ten years beginning in the 2017 biennium.

### FISCAL ANALYSIS

#### Assumptions:

- SB 128 establishes a school funding interim commission that must be formed during the 2015-2016 interim and each successive fifth interim. The commission is to conduct a study to reassess the educational needs and costs related to the basic system of free quality public elementary and secondary schools, and to recommend to the following legislature any necessary changes to the state's funding formula.
- Section 1, subsection 5, of this bill administratively attaches the commission to the legislative services division, requiring that the division provide sufficient and appropriate support to the commission.
- Section 1, subsection 3, of the bill directs the commission will consist of 16 members made up of six members of the house, six members of the senate, two public members appointed by the speaker of the house with consent of the house minority leader, and two public members appointed by the president of the senate with the consent of the senate minority leader. Subsection 8 allows that, unless the public member is

a full-time salaried officer or employee of the state, they are entitled to salary and expenses to the same extent as a legislative member. For the purposes of this fiscal note, it is assumed that all public members will be paid the same as legislative members.

4. Section 1, subsection 7 of SB 128 requires the commission to issue a report of its findings no later than the 15<sup>th</sup> of September preceding the next regular legislative session. It is assumed that the commission will hold one one-day meeting and seven two-day meetings in Helena during the 2017 biennium, at a cost of \$47,086 in FY 2016 and \$31,191 in FY 2017 to the legislative services division's interim committee budget (program 21).
5. The Office of Public Instruction will attend committee meetings, respond to legislative requests, and provide analysis and policy options to the committee within the agency's existing general fund budget during the 2017 biennium.

|   | <b><u>FY 2016<br/>Difference</u></b> | <b><u>FY 2017<br/>Difference</u></b> | <b><u>FY 2018<br/>Difference</u></b> | <b><u>FY 2019<br/>Difference</u></b> |
|---|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| <b><u>Fiscal Impact:</u></b>  |                                      |                                      |                                      |                                      |
| <b><u>Expenditures:</u></b>   |                                      |                                      |                                      |                                      |
| Personal Services   | \$14,056                             | \$9,370                              | \$0                                  | \$0                                  |
| Operating Expenses  | \$33,030                             | \$22,021                             | \$0                                  | \$0                                  |
| <b>TOTAL Expenditures</b>   | <b>\$47,086</b>                      | <b>\$31,391</b>                      | <b>\$0</b>                           | <b>\$0</b>                           |
| <b><u>Funding of Expenditures:</u></b>  |                                      |                                      |                                      |                                      |
| General Fund (01)   | \$47,086                             | \$31,391                             | \$0                                  | \$0                                  |
| <b>TOTAL Funding of Exp.</b>  | <b>\$47,086</b>                      | <b>\$31,391</b>                      | <b>\$0</b>                           | <b>\$0</b>                           |
| <b><u>Revenues:</u></b>   |                                      |                                      |                                      |                                      |
| General Fund (01)   | \$0                                  | \$0                                  | \$0                                  | \$0                                  |
| <b>TOTAL Revenues</b>   | <b>\$0</b>                           | <b>\$0</b>                           | <b>\$0</b>                           | <b>\$0</b>                           |
| <b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b> |                                      |                                      |                                      |                                      |
| General Fund (01)   | (\$47,086)                           | (\$31,391)                           | \$0                                  | \$0                                  |

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*Sponsor's Initials*


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*Date*


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*Budget Director's Initials*


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*Date*